

76-10118/3

DDA 76-5702

15 November 1976

MEMORANDUM FOR: Deputy Director for Intelligence  
Deputy Director for Operations  
Deputy Director for Science and Technology

FROM : John F. Blake  
Deputy Director for Administration

SUBJECT : Study of "Critical Training Needs" for EAG

REFERENCE : Memo to DDCI fr Compt., dtd 27 Sept. '76;  
Subj: An Agency Management Process

1. The Office of Training is about to embark on a study we have identified as "Critical Training Needs". The genesis is Item No. 37 in the attachment to referent memorandum. The actual statement of the problem is:

"Are all current Agency training programs really augmenting the skills and capabilities of those in all critical segments of the Agency? If not, what changes are needed?"

2. We would like to try an innovative experiment in connection with the conduct of this study. What we have in mind is trying to get some broad-based employee participation. In that connection I should like to ask you if you would be good enough to task your Directorate Management Advisory Group with furnishing us a nomination from your Directorate to serve on the task force. The nominee can either be from the Management Advisory Group or any individual of their choosing.

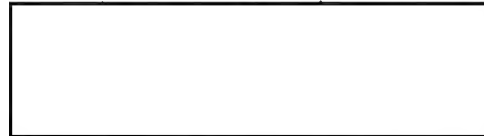
3. We will endeavor to place minimum demands of time on your nominee. It stands to reason, however, that there will be a fair portion of the nominee's duty hours involved. A survey will commence in about one week and should be completed by the end of December 1976.

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4. I greatly appreciate your cooperation in this matter and look forward to the receipt of your nominee.



John F. Blake

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Note: DDCI's copies hand-carried  
by Mr. Taylor to DDCI 9/27/76.

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76-10118/1

COMPT 76-1477

27 SEP 1976

MEMORANDUM FOR: Deputy Director of Central Intelligence

SUBJECT : An Agency Management Process

1. About three weeks ago we were charged by you with taking steps to create an "Agency Management System." Simultaneously, we have been reworking the goals paper last discussed in the Executive Advisory Group (EAG) on September 16, 1976. I would like to propose that we think about a management system as consisting of two separate but related processes: one dealing with policy, procedural, and organizational questions; the other with resource issues. Both are conceptually and practically separate from existing directorate and component management processes, and both rely heavily on the EAG as the basic management mechanism.

2. The resource side is in general well defined and understood. Basic tasks in the process include planning for the future year program, the program review process, the OMB/CFI budget review, the Congressional review, budget execution through periodic Comptroller Meetings, and the assessment of program results. The Office of the Comptroller is responsible for organizing this process, but it requires the close collaboration and involvement of the four line deputies at all stages. The EAG has been and should continue to be the mechanism which provides top-level involvement in and consideration of basic resource issues. The planning and assessment areas have been the weak points, and we propose to remedy these (see Questions 23 and 24).

3. The Agency management process relating to policy, procedural and organizational topics flows from your assignment as manager of CIA's "day-to-day" affairs. The principle vehicle for development of this process is the EAG. Because this process is relatively new, it is neither fully understood nor fully developed, though we have made major strides.

4. CIA has just emerged from two very difficult years. Out of this period have come at least two developments with major impact on the Agency: the redefinition in Executive Order and elsewhere of the rules and procedures under which we must operate; and the establishment of new Community management arrangements which have already and will continue to require adjustments in CIA's management processes.

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5. I take it as the major task of the coming year to build effective procedures and arrangements which will enable us to continue to play a central role in the American intelligence process during the 1980's. This requires continuing high performance in those areas in which we excel and improvements in certain areas where our performance has been less than excellent.

6. Broadly speaking, we have agreed on the need to improve our performance in the following areas:

- We must sharpen our capabilities to give policy-makers what they really need.
- We must establish an effective Agency management process that will enable us to coordinate and integrate activities of all directorates and make effective plans for the future.
- We must establish relations of mutual confidence with oversight organs and the public.
- We must strengthen our command and control arrangements to ensure that we are protected from improprieties.
- We must improve our personnel policies for the benefit of the Agency, its employees, and its applicants for employment.

7. This set of goals constitutes a statement of priority concerns about which we wish to increase our understanding and about which we must develop recommendations for procedural, organizational, policy, or other improvements.

8. Because these goals are very broadly stated, however, and do not themselves directly suggest specific actions which should be taken, we developed a list of more than 60 priority tasks or problems which merit attention over the coming year. I have taken the subjects identified and reduced the list to some 37 items with the following general criteria in mind: Will pursuit of each topic enable us to make progress toward one of the five broad goals identified? Will pursuit of the topic likely result in some positive action? Who will be responsible? When should we accomplish the action?

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9. Following each problem/topic is a statement of EAG actions underway or presently contemplated with respect to that problem as of 1 October 1976 and a proposal for further work together with a suggested date for completion.

10. Thus, this paper constitutes a listing of our goals, a statement of actions we plan to pursue with respect to those goals, a basis for developing the EAG agenda to discuss those actions, and a basis for considering how we can involve others outside the EAG in those actions. Taken together, this paper and the process which underlies it can constitute an effective Agency management process.

11. If after reviewing this paper you are reasonably satisfied, I will circulate it to EAG members for any further discussion. The paper should be updated periodically, probably every two months, to reflect changing perceptions of problems and actions already taken, and EAG members should be given an opportunity to comment on each revision and make suggestions for new items or redefinition of old ones.



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James H. Taylor  
Comptroller

Attachment:

Paper on Major Questions

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MAJOR QUESTIONS

1. How can we get a better understanding of the intelligence requirements of the 1980's in more than the generalized ways we attempt at present?

Action expected: Preparation of a paper for EAG review.

EAG member with primary responsibility: Mr. Dirks.

Who will support EAG member? DDS&T, DDI, Compt staff as needed.

When should the task be accomplished? December 1, 1977.

2. How can CIA analytical and production elements re-establish real relations with their most important and proper customers when much of that responsibility has been assigned outside the CIA?

Action expected: Preparation of a paper containing recommendations for EAG review.

EAG member with primary responsibility: Mr. Stevens.

Who will support EAG member? DDI, NIO, DDS&T staff as needed.

When should the task be accomplished? February 1, 1977.

3. How does CIA support the DCI on substantive national intelligence questions: directly, through the NIO's, or through some combination?

Action expected: Preparation of a paper with recommendations for EAG review.

EAG member with primary responsibility: Mr. Stevens.

Who will support EAG member? DDI, DDS&T, NIO staff as needed.

When should the task be accomplished? February 1, 1977.

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4. How can we improve our ability to interpret consumer needs and understand how well our products are meeting those needs?

Action expected: A preliminary review of producer/consumer relations is scheduled.

EAG member with primary responsibility: Mr. Stevens.

Who will support EAG member? DDI, DDS&T staff as needed.

When should the task be accomplished? October 14, 1977.

5. What are the particular substantive needs of Congress and what additional steps should we take to meet these?

Action expected: Preparation of a paper reviewing recent practice with recommendations for further steps as appropriate.

EAG member with primary responsibility: Mr. Stevens.

Who will support EAG member? [ ] DDI, DDS&T staff.

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When should the task be accomplished? February 1, 1977

6. Given some redefinition of our missions and responsibilities, what organizational changes will be desirable to enhance our ability to get the job done?

(Mr. Stevens' presentation to the EAG on organizational and other changes in the production world has this question as a central theme. The DDI has contracted with the [ ] consulting firm to do a study on the DDI organization, and the Directorate is conducting a review of its publications process. The DDI will make final recommendations in mid-November.)

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(We have reviewed the planned reorganization of the DDO staff structure and have approved most aspects; we have had an initial discussion of the Clandestine Corps concept and will meet again on this in October.)

(The SIGINT study group is considering organizational and other changes [ ])

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Additional actions expected: None yet identified.

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7. What satellite and other systems will be required to meet our intelligence collection needs in the 1980's?

[Redacted]

Action expected: Preparation of a paper for EAG review.

EAG member with primary responsibility: Mr. Dirks.

Who will support EAG member? DDS&T, DDI, Compt staff as needed.

When should the task be accomplished? December 1, 1977.

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8. What sort of [Redacted] other operations involving close collaboration between the DDO and the DDS&T should CIA engage in in the future? Should we re-examine the management arrangements under which these activities are carried out with an eye toward improving them?

[Redacted] discussed selected joint DDO and DDS&T technical operations in the EAG meeting on 17 August 1976. We will meet again on 30 September to discuss further the importance of these activities and possible future management arrangements for them.)

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Action expected: Preparation of a paper for EAG review on 30 September 1976.

EAG member with primary responsibility: None ([Redacted]).

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Who will support EAG member? N/A.

When should the task be accomplished? September 30, 1976

9. What is the role of CIA vis-a-vis other intelligence agencies under the evolving Community concept? Specifically, should CIA representation on inter-agency committees making an intelligence input be replaced by NIO representation or by representation from substantively involved offices?

Action expected: Preparation of a paper with recommendations for EAG review.

EAG member with primary responsibility: Mr. Stevens.

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Who will support EAG member? DDI, DDS&T, Compt staff as needed.

When should the task be accomplished? February 1, 1977.

10. How can we institutionalize within CIA a means to ensure adequate consideration of alternate hypotheses having a lower probability of being correct but having so significant an impact if true that they must be brought to the attention of policy-makers?

Action expected: Preparation of a paper with recommendations for EAG review.

EAG member with primary responsibility: Mr. Stevens.

Who will support EAG member? DDI, DDS&T, NIO staff as needed.

When should the task be accomplished? March 1, 1977.

11. What is the proper scope and emphasis of our substantive product? Should we search for better ways to enhance the in-depth analysis aspect of our production, possibly at the expense of our current intelligence capabilities?

Action expected: Preparation of a paper with recommendations for EAG review.

EAG member with primary responsibility: Mr. Stevens.

Who will support EAG member? Staff from production offices as needed.

When should the task be accomplished? November 11, 1976.

12. How can we best ensure that our basic research capabilities are maintained and our data bases updated and revitalized while at the same time responding to the immediate demands of policy-makers with increased emphasis on timeliness, etc?

Action expected: Preparation of a paper with recommendations for EAG review.

EAG member with primary responsibility: Mr. Stevens.

Who will support EAG member? Staff from production offices as needed.

When should the task be accomplished? November 11, 1976.

13. How might CIA improve its organizational and procedural arrangements related to crisis management and strategic warning?

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[ ] has been tasked to study our organizational and procedural arrangements relating to warning and crisis management to see what improvements may be necessary.)

Additional action expected: Unresolved.

EAG member with primary responsibility: None [ ] .

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Who will support EAG member? N/A.

When should the task be accomplished? March 1, 1977.

14. What priority should we give to upgrading our Operations Center to keep from slipping further behind other such centers within the Community?

Action expected: Unresolved.

EAG member with primary responsibility: Mr. Stevens.

Who will support EAG member? DDI, DDS&T staff as required.

When should the task be accomplished? March 1, 1977.

15. What are the prospects for covert actions over the next five years? What capabilities should be maintained? Should the Agency develop a "tiger team" capability similar to the Israeli group that rescued hostages from the Entebbe airport?

Action expected: Preparation of a planning paper on possible future requirements, 1977-82; proposals re changes in our current capabilities.

EAG member with primary responsibility: Mr. Wells.

Who will support EAG member? DDO and DDA staff as needed.

When should the task be accomplished? January 1, 1977.

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16. How can we sharpen CIA counterintelligence (CI) capacity and to what extent should we develop new collaborative CI arrangements with foreign governments and other U.S. departments and agencies? (A preliminary review of this subject is scheduled in the EAG for 28 September 1976.)

Action expected: Preparation of a paper with recommendations for EAG review.

EAG member with primary responsibility: Mr. Wells.

Who will support EAG member? DDO staff as needed.

When should the task be accomplished? April 1, 1977.

17. What is the future for CIA's role in developing and operating large national reconnaissance programs?

(Though not yet scheduled, Mr. Dirks has expressed interest in discussing with the EAG issues surrounding CIA's participation in national programs.)

Action expected: Preparation of a paper with recommendations for EAG review.

EAG member with primary responsibility: Mr. Dirks.

Who will support EAG member: DDS&T staff as needed.

When should the task be accomplished? March 1, 1977.

18. What is an appropriate role for CIA in assisting foreign governments to obtain major procurements in the U.S.?

Action expected: Preparation of a policy paper proposing a review process and explicit criteria with respect to CIA involvement in such programs.

EAG member with primary responsibility: Mr. Blake.

Who will support EAG member? DDA and other directorate staff as required.

When should the task be accomplished? March 1, 1977.

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19. How can we make our legitimate financial and personnel cover arrangements more secure and beyond compromise?

Action expected: Preparation of proposals for EAG consideration.

EAG member with primary responsibility: Mr. Wells.

Who will support EAG member? DDO, DDA staff as needed.

When should the task be accomplished? April 1, 1977.

20. What should be the Agency role in SIGINT programs?

25X1  SIGINT Task Force was formed and has discussed with the EAG a CIA response to the House SIGINT study. But the longer term objective of this group's activity is to redefine the Agency's role in SIGINT. EAG will meet with members of the SIGINT Task Force periodically to review progress.)

Additional action expected: As above.

EAG member with primary responsibility: None .

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Who will support EAG member? SIGINT Task Force.

When should the task be accomplished? February 1, 1977.

21. How can we get a common focus throughout the Agency on priority problems?

(The EAG, itself, has been established; CGAS has been moved to the Office of the Comptroller.)

(Mr. Dirks has reviewed for the EAG the Agency's overall R&D program with attention to the mechanisms which exist to consider customer requirements in the face of scarce resources.)

(Mr. Wells is scheduled to present to the EAG his views on the adequacy of the arrangements by which we decide on DDS&T and DDA technical support for the DDO.)

Additional action expected: No further specific items identified.

22. How can we make the best decisions about investments in future capabilities?

Action expected: The Comptroller has been tasked to suggest ways we can improve the Agency-level planning process.

EAG member with primary responsibility: Mr. Taylor

Who will support EAG member? Comptroller, directorate staff as needed.

When should the task be accomplished? By mid-December 1976.

23. How can we guarantee that important projects (other than those already identified in Question 7) which require the cooperation of various Agency components receive the management attention they deserve?

Additional action expected: Preparation of a paper for EAG review identifying these projects and making recommendations as appropriate.

EAG member with primary responsibility: Mr. Blake.

Who will support EAG member? DDA, DDO, DDS&T, DDI staff as needed.

When should the task be accomplished? April 1, 1977.

24. What evaluation techniques can we bring to bear on the always difficult question of resource allocation? What mechanism can we establish for assuring the value of programs and making key trade-offs? Are our present methods valid, and are the results of these evaluations being implemented in proper fashion? How do we apply these evaluation techniques in an atmosphere that assures that they are free of institutional biases and independent of an individual's career aspirations?

Action expected: Preparation of a paper for EAG review recommending an overall evaluation plan.

EAG member with primary responsibility: Mr. Taylor.

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Who will support EAG member? Compt, directorate staff as needed.

When should the task be accomplished? January 1, 1977.

25. Given our dependence on the use of facilities outside the Headquarters area, how can we best configure and technologically equip those facilities to meet our overall space requirements?

Action expected: Preparation of proposals for EAG review.

EAG member with primary responsibility: Mr. Blake.

Who will support EAG member? DDA and other directorate staff as required.

When should the task be accomplished? April 1, 1977.

26. What further steps can we take to increase Congressional support for our missions?

(We have through OLC, personal efforts of the DCI and DDCI, and elsewhere begun to make a dent in the Congressional problem particularly with the Senate intelligence committee.)

Action expected: The EAG has scheduled a review of the current state of our Congressional relationships and our mechanisms for handling them.

EAG member with primary responsibility: None (Mr. Cary).

Who will support EAG member? N/A.

When should the task be accomplished? October 19, 1976.

27. How can we develop among members of our Congressional subcommittees an understanding of our business and its requirements adequate to their recovering the decision making function from their staffs? Can we get relief from the tight fiscal situation that has constrained our flexibility in the recent past?

Action expected: Preparation of proposals for EAG review.

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EAG member with primary responsibility: None (Mr. Cary).

Who will support EAG member? OLC, Compt staff as needed.

When should the task be accomplished? February 1, 1977.

28. How can we secure the support and understanding of the press and other media?

(Mr. Falkiewicz has been tasked to develop new ways of building external understanding of the Agency through the media.)

Additional action expected: Unresolved.

EAG member with primary responsibility: None (Mr. Falkiewicz).

Who will support EAG member? N/A.

When should the task be accomplished? Open.

29. What means can we use to generate a public understanding of the intelligence business as a key element within the total national security policy-making process, rather than as a bizarre activity carried out only to the visceral satisfactions of those engaged in it?

(A Publications Review Board has been established to review proposed unclassified articles for publication in external journals, and new guidelines for such publication have been issued.)

Additional action expected: Unresolved.

EAG member with primary responsibility: None (Mr. Falkiewicz).

Who will support EAG member? N/A.

When should the task be accomplished? Open.

30. How can the inherent creativity of our people be enhanced while all of us are assured of the legality and propriety of our actions?

(The EAG has reviewed and approved the IG's proposed short-term inspection plans. In addition, Mr. Lapham has reported



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to the EAG on the state of guidance to employees with respect to legalities and proprieties.)

Additional action expected: A task force has been formed to report back to the EAG on recommendations in five areas as noted in the EAG minutes on the 21 September meeting.

EAG member with primary responsibility: Mr. Lapham.

Who will support EAG member? The Task Force.

When should the task be accomplished? An interim report is scheduled for November 4, 1976.

31. What can we do to accommodate the demands of unusual operational behavior within the growing legalistic cocoon in which we live? What combination of regulations and guidance, inspection by the IG, review by OGC, reporting procedures, and management review will protect our integrity without degrading our effectiveness?

Action expected: Preparation of a paper containing proposals for EAG review.

EAG member with primary responsibility: Mr. Lapham.

Who will support EAG member? Mr. Waller and OGC staff as needed.

When should the task be accomplished? February 1, 1977.

32. What actions can we take to enhance the possibilities for Congressional acceptance of improvements in the law with respect to the protection of sources and methods? What steps can we take short of this to improve our capabilities in this area?

Action expected: Preparation of a paper containing proposals for EAG.

EAG member with primary responsibility: None (Mr. Cary).

Who will support EAG member? OLC and OGC staff as needed.

When should the task be accomplished? January 1, 1977.

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33. What actions can we take to produce credible finished intelligence--without revealing sources and methods--in order to make the product more widely available?

Action expected: Preparation of a paper containing proposals for EAG review.

EAG member with primary responsibility: Mr. Stevens.

Who will support EAG member? DDI staff as required.

When should the task be accomplished? March 1, 1977.

34. How can we improve our personnel management practices? Specifically:

- a. How can we improve career development opportunities for our people?
- b. Should career services be retained? If so, should they remain organizational or should special categories be set up, e.g., for supergrades, secretaries, etc.
- c. How can we formulate an "essential cadres" design that will ensure that our hiring will ensure needed capabilities for the future?
- d. How can we help create a versatile cadre of people with significant experience in all directorates?
- e. How can we improve our performance with respect to equal opportunity?
- f. How can we give greater recognition to superior individual performance?
- g. How can we improve our training and assignment practices for new EOD's?
- h. What can be done to give life to our "separation-out" program to ensure the continued vitality of our workforce?

Action expected: Mr. Blake has been tasked to make recommendations on these and other, related questions with respect to personnel management. We will receive his initial report and recommendations

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in October. In addition, the DDCI has approved changes improving accountability for EEO performance in the directorates.

EAG member with primary responsibility: Mr. Blake.

Who will support EAG member? DDA and other directorate staff as needed.

When should the task be accomplished? An interim report is scheduled for October 21, 1976.

35. How can we improve the perceived status of personnel in service versus production or collection elements?

Action expected: Preparation of a paper for EAG review.

EAG member with primary responsibility: Mr. Blake.

Who will support EAG member? Directorate staff as appropriate.

When should the task be accomplished? March 1, 1977.

36. What should be done to reduce the time required to process new recruits?

Action expected: Preparation of a paper for EAG review, with recommendations.

EAG member with primary responsibility: Mr. Blake.

Who will support EAG member? DDA staff as needed.

When should the task be accomplished? April 1, 1977.

37. Are all current Agency training programs really augmenting the skills and capabilities of those in all critical segments of the Agency? If not, what changes are needed?

Action expected: Preparation of a paper for EAG review.

EAG member with primary responsibility: Mr. Blake.

Who will support EAG member? Directorate staff as needed.

When should the task be accomplished? January 1, 1977.

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1979--Round One

Objective: To provide EAG with opportunity to consider, and make decisions on, major 1979 resource issues well in advance of the June/July 1977 crunch.

Major Considerations:

- We will, for the first time, be constrained by a guidance figure issued by the CFI.
- The old schedule forces us to make highly important decisions with too little time and too little information.

How can we do it?

- Limit our efforts to the important questions:
  - ADP
  - R&D
  - Other major programs
  - Personnel
- Bring these questions seriatim to EAG--for:
  - preliminary discussions and group recommendations and
  - a second round of discussions and DDCI decisions in November and December.
- We have guidance figures from which we can begin, the trick will be keeping track of the adjustments.
- Combine the decisions with the CFI guidance totals and existing 1979 plans to issue detailed guidance on preparation of 1979 plans--guidance to include position and fund totals and require priority listing of all requests above Directorate guidance. Guidance to total [ ] and [ ] positions less than CFI guidance to us.

What is now underway as part of this process?

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- ADP

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STAT -- [ ] proposal.

- R&D

STAT -- [ ] proposal.

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-- [ ] is about through drafting memoranda to each of the DDs on a few major resource packages that stand out in 1979 by reason of inadequately explained large increases and/or policy questions. Responses, supplemented by Comptroller analysis, would constitute some agenda items for a meeting.

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--In addition, Group Chiefs in both Resources Staff and Requirements Staff should be asked to review appropriate 1979 programs and select additional projects and problems deserving early, high-level attention. Here, I would propose simply conveying the list to the Directorates and Offices and requesting a two or three page justification/explanation of what is planned for 1979 and why. As with [ ] exercise, responses, supplemented by Comptroller analysis, would constitute agenda items. With both ADP and R&D questions reserved for other meetings, we would probably present EAG with about 25 "other major program issues" to consider.

--The first meeting should discuss all the items and eliminate some of them--either by making new decisions or by confirming that 1979 plans look solid. It should also identify perhaps half a dozen or a dozen that need more study and a second session a month later.

• Personnel

--Plans for inventory are being developed; we should be able to meet with Directorates to work out final details in third week of October. Whether we can get results in time for EAG to meet in December remains to be seen. But overall personnel allocation will in any event be altered somewhat by decisions on the other areas.

• Other

--Of course, a lot of the other topics before EAG will have important implications for 1979. One thing to watch, as EAG begins making some major decisions, is this impact. When suitable, the EAG minutes need to include some comment on impact of decisions on the 1979 program so we can keep some kind of running tally.

Where does that leave us?

- A series of 6-8 meetings (depending on status of personnel inventory) in November and December specifically devoted to the 1979 program, with each of the December meetings to result in specific decisions on adjustments of the 1979 program.

- Detailed guidance memoranda to be issued in January, after CFI guidance total is firm.
- Programs that will emerge from the Directorates in May, under guidance and with marginal needs prioritized in detail for each Directorate.

How about Round Two?

- As soon as the programs are received by the Comptroller, this office would come up with it's ranking of the marginal items--on an Agency-wide basis--as fodder for an EAG meeting. EAG members to argue with our rankings. If no concensus, DDCI to make some preliminary decisions.
- With that guidance, Comptroller does usual review of packages in detail.
- Normal program review meetings follow.

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## EAG Participation in RD&E Planning for 1979

### I. Session 1

#### A. Objective and Methodology (Chairman--15 min.)

1. Objective--provide general guidance to DDS&T in formulating FY 1979 RD&E program.

a. target figures for total positions and dollars supporting CIA, NRP,  and ICS

b. areas to receive greater, the same, or lesser emphasis

c. possible new initiatives

#### 2. Methodology

a. discuss and rank key problems possibly amenable to at least partial solution through RD&E

b. discuss practicalities of conducting RD&E against the higher ranked problems

c. examine FY 1978 RD&E program focusing on work already underway or planned against these problems

d. formulate guidance primarily in terms of shifts in resources going from FY 1978 to FY 1979

#### B. Key Problem Areas by Directorate

1. Operations (Mr. Wells--15 min.)

2. Intelligence (Dr. Stevens--15 min.)

3. Administration (Mr. Blake--15 min.)

4. Science and Technology (Mr. Dirks--15 min.)

5. National Programs (Mr. Dirks--15 min.)

#### C. Classification and Ranking (All--30 min.)

1. View all problems together independent of originating directorate.

2. Consider value of solving each problem in terms of expected gains.

a. improvements in finished intelligence product

b. savings in resources

c. improved security

3. Set aside temporarily practicalities of conducting RD&E on these problems.

4. Classify problems into three groups--highest priority, high priority, medium or lower priority

### II. Written record of Session 1 provided promptly to all participants.

A. More detail than customary EAG minutes.

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B. Participants invited to submit afterthoughts in writing to be collated and forwarded to DDS&T in preparation for Session 2.

### III. Session 2.

A. Practicalities of conducting RD&E against the identified problems (Mr. Dirks--30 min.)

1. Likelihood of success
2. Costs
3. Length of time required
4. Work underway in other agencies and/or private industry
5. Availability of contractors
6. Evaluation of results
7. Other

B. Overview of current RD&E program through FY 1978 (Mr. Dirks--30 min.)

1. Emphasis on work related to key problems identified previously.

2. Survey of work of possibly marginal utility.

C. Formulation of guidance (All--60 min.)

1. Problems to receive increased attention over FY 1978.

a. large increase--greater than 40%, includes new initiatives

b. moderate increase--20% to 40%

c. small increase--5% to 20%

2. Problems to receive about the same emphasis--within 5% of FY 1978 level.

3. Problems to receive decreased emphasis in FY 1979.

a. small decrease--5% to 20%

b. moderate decrease--20% to 40%

c. large decrease--greater than 40%, includes terminations

4. Target figures

a. positions--CIA, NRP, , ICS

b. dollars--CIA, NRP, , ICS

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### IV. Notes

A. Above schedule is quite compressed, perhaps too much so; there are numerous opportunities to get bogged down--success will depend heavily on Chairman's ability to keep things moving.

B. Considerable staff work will be required on behalf of all four deputies prior to the first session and on behalf of Mr. Dirks prior to the second session.



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C. Above syllabus forces attention to the proportion of CIA RD&E resources supporting the two national programs and the Intelligence Community Staff.

D. Principal product will be a memorandum to the EAG members setting forth the guidance derived during the second session. It is expected the members will forward copies to their appropriate subordinates involved in detailed RD&E planning for implementation.



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9 Sept. 1976

## PROPOSED EXECUTIVE ADVISORY GROUP SESSIONS ON ADP PLANNING

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I. Why should EAG Concern Itself with ADP?

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- A. ADP is taking an increasing portion of the CIA budget [redacted]
- B. Responsibility for ADP in Agency is decentralized. There is no general guidance, much less central ADP plan. ODP role is indefinite following tentative moves toward centralization.
- C. There is no Agency-wide oversight of the ADP overlap with the communications, micrographics, printing, and word-processing fields.
- D. Congress and OMB have recently shown concern about ADP growth in Government.
- E. Agency is receiving criticism from Intelligence Community for its reluctance to participate more actively in networking its intelligence data bases (e.g., on COINS).

II. What Can EAG DO?

- A. Provide guidance to Directorates and ODP prior to FY '79 program preparation (in early 1977):
1. Determine which types of ADP applications should receive future emphasis because of needs, successes, and cost-effectiveness (e.g., FRS? systems for analysts?)
  2. Set target expenditure level for ADP in FY '79 and set tentative program levels for ODP, for the directorates' portions of the ODP program, and for the directorates' own ADP projects.
  3. Assure that implementation of the ODP credit system is moving in the right direction. (Note: Comptroller meetings, beginning early next year, will only review current-year expenditures by ODP in behalf of the directorates using this system).
- B. Define the extent to which ODP should assume the ADP coordination role within the Agency and its proper organizational location should this role be strengthened. If Comptroller is to have a stronger role, determine staffing for that role.
- C. Establish who should perform the coordination role for ADP-related activities in the communications, micrographics, printing, and word-processing fields (DDA? ODP? Comptroller?)
- D. Monitor large CIA systems (e.g., [redacted]) periodically for their cross-directorate and Intelligence Community implications, and for their adherence to OMB and Congressional guidance.

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III. What should EAG do in CY 1976?

Tackle tasks A-C above. Use two meetings, one month apart, staffed in part by the Comptroller:

A. November meeting:

1. Receive and discuss information on Agency ADP centralization issue, with organizational alternatives.
2. Receive and discuss information on current applications, expenditures, and needs, with alternatives for the future.
- EAG members will receive written materials and the meeting minutes for study.

B. December meeting:

1. Reach decisions on the two topics above.
2. EAG decisions will be formally communicated to directorates by Comptroller.

IV. More detailed structure of two CY 1976 EAG Sessions:

A. November Meeting (two hours)

1. State purpose of meetings and the meeting plan  
(Chairman - five minute introduction)  
(Comptroller - ten minutes)
2. Display alternative configurations regarding centralized ADP oversight. Explain ODP credit system.  
(Comptroller - twenty minutes)
3. Discussion  
(All participants - twenty minutes)
4. Display current trends of ADP use in the Agency and current planning in summary style. (See Attachment 1 samples.)  
(Comptroller - ten minutes)
5. Display alternative FY '79 basic plans, with target expenditure levels (See Attachment 2.)  
(Comptroller - twenty minutes)
6. Discussion  
(All participants - twenty minutes)
7. Sum-up views expressed  
(Chairman - ten minutes)
8. Guidance for next meeting  
(Comptroller - five minutes)

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B. December Meeting (1 1/2 hours)

1. Recap and statement of any modifications  
(Chairman & Comptroller - ten minutes)
2. Discussion of ADP oversight alternatives  
(All participants - thirty minutes)
3. Decision statement  
(Chairman - ten minutes)
4. Discussion of alternative ADP plans  
(All participants - thirty minutes)
5. Decision statement  
(Chairman - ten minutes)

V. What should EAG do thereafter?

A. Hold ADP session (two hours) in May 1977 to:

1. Monitor FY '79 planning for large systems (the fourth task of para. II above). Staffing depends on organizational decisions reached at last meeting.
2. Discuss results of EAG December decisions and possible further actions.

B. Repeat cycle (including organizational discussion) for the FY '80 program, beginning in November 1977. Better data should be available at that time.

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Attachment A

- Chart 1 - Shows costs of ADP going up very rapidly, in absolute and percentage terms.
- Chart 2 - Shows ADP expenditures by directorate. Point here is that ODP has control of half the funds and that the percentages are shifting.
- Chart 3 - (Not prepared.) Would show a breakdown of the ODP portion by directorates served.
- Chart 4 - (Not prepared.) Would re-cast Chart #2, showing directorate expenditures with their ODP accounts included (eliminating ODP from the chart).
- Chart 5 - (Not prepared.) Would show a series of displays to briefly describe the significant systems — a paragraph on each telling what it does, how much it has cost, and what good it is, or is expected to be. [redacted] and a few others.)
- Chart 6 - Breaks down the ADP expenditures by arbitrary category. The foregoing systems would be given as examples here. This would show the shifting emphasis which is occurring.

Note: The charts actually attached are based on real data, where heavy lines are drawn.

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Attachment B

Chart 7 - (Not prepared.) Would display financial needs of (same) significant systems in FY 1979 and beyond. Point is that we are more or less committed to these expenditures for continuance of work begun, at least in FY 1979.

Chart 8 - (Not prepared.) Would show Chart 6 (expenditures by category) projected into FY 1979 and beyond. We would see where our emphasis is moving, given no central management. Is this where it should be moving?

Chart 9 - (Not prepared.) Would show Chart 2 (directorate expenditures) projected into 1979 and beyond. Point is that this would be the effect of Chart 8. Again, this is an extrapolation. Do we have problems with this?

Chart 10 - (Not prepared.) Would show chart 3 (ODP breakdown of customer accounts) projected into 1979 and beyond. Same point.

Chart 11 - (Not prepared.) Would show Chart 1 (total Agency ADP expenditure level for FY 1979 and beyond, with projected percentages of Agency budget). Is this the way central management wants it to be?

Note: These charts will be difficult to prepare but, I believe, can be drawn with available information. Alternative plans can be shown by dotted lines or alternative 8-11 charts. There will be little flexibility for FY 1979, however. Decisions should be directed more toward the years beyond FY 1979.

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MEMORANDUM FOR: Executive Advisory Group Members

SUBJECT : An Agency Management Process

I think the attached is self-explanatory. I would suggest that we try to discuss it in the EAG on Thursday, 30 September, following presentation. Reproduced below is Mr. Knoche's note back to me on this memorandum raising a few further questions which we can talk about on Thursday:

"Jim, excellent paper well worth circulating to EAG. I like it. A few quick questions: do you think the NIO-related tensions are EAG business (#3 & #9)? How do #21 and #23 differ? Ditto #26-and #27. Ditto #30 and #31. In addition, I want to encourage the formation of task forces to address most of these questions."

James H. Taylor  
Secretary  
Executive Advisory Group

Attachment:  
As stated

cc:

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<b>Remarks: Hank:</b>  Half of the rather complex problem of designing a management system for CIA relates to the need to create a planning process for 1979. (The other half involves working out our goals or objectives and attaching dates to these and deciding how to get follow-up action underway with respect to each.) Attached are some very preliminary ideas on what we are thinking about for the planning process for 1979. They will be extensively revised, but knowing of your interest in the subject, I thought you might wish to glance at them.			
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